

THE CIVIC CONSCIENCE

Mr. Chairman and Fellow Buckeyes:

It has been announced to you that this is the last luncheon of the season, and it is perfectly apparent that your indefatigable Chairman has selected a speaker on this occasion with an eye single to that purpose; for it is doubtful whether, after hearing what I have to say, it will be possible ever again to get another meeting of this Society. But it was not *finesse* on the part of Mr. Wilson, as intimated by your Chairman, that got me here today. It was what we lawyers call "false pretense."

I am sorry to say that while I have been a member of this Society for many years, this is my first appearance among you. Mr. Wilson called on me, with winning speech and charming manner, and suggested it would be fine for me to come over and see you; that you had most delightful luncheons, and that I would find many friends and acquaintances. I promised to come, and as he was leaving he suggested, in an off-hand way, that it would be nice if I would say something to the boys. That should have put me wise, but, no, I fell for it. A few days later he called me on the 'phone—he did not dare to look me in the face; indeed, it seemed a very long distance 'phone—and asked me, in solemn tones, what was to be the subject of my address.

My Address, mark you! I assured him that there was to be no address, but again he was persuasive, and said, "Oh, give us some subject that sounds well and then talk about anything you please." So I gave him as a subject "The Civic Conscience," a phrase coined by Grover Cleveland, and I appeal to you whether there isn't some class to it.

While I have never before been among you, I have good right to belong to your Society. I am eligible by birth; I am eligible by residence; I am at least partly eligible from the fact that I attended an Ohio college. I was born in the beautiful village of Athens, and spent my boyhood in that town and attended the Ohio University for one year before coming to Philadelphia. In the winter I skated on the old canal that ran from Athens to Columbus; in the spring I fished for cat-fish and sunnies in the Hock-Hocking, and in the fall my fingers were always stained with walnut juice, my stomach stuffed with pawpaws, and my mouth puckered with the succulent persimmon. It would be lovely if we could have a little talk about old times, but, alas! there looms before my mind that horrible subject, "The Civic Conscience." I confess I feel as the farmer did when he first saw the hippopotamus—"There ain't no such animal"; and when I try to locate it, I recall the answer of the school-boy to the question, "Where are the Falkland Islands?" "They are where the dodo

is extinct." Only I fear the dodo bird is not extinct in the civic conscience.

Now, we have been going through a great upheaval in this country for the past twelve or fifteen years—we might call it a revival. There has been great hue and cry against corrupt practices in business, and in so far as legislation can do it, we have been legislated good. I am not one of those who have fallen for Bryan's oratory, or hit the Roosevelt trail, and at the inception of the "Progressive" movement I stood aghast at some of the political propositions seriously put forward. While there has been some that was bad and more that was foolish, I confess that much that is good has come out of these propaganda, and I believe today the big business interests of the country are, on the whole, honest. In fact, I think the most law-abiding citizens of this Republic today are the big corporations—the railroads and big business concerns. They certainly are trying to keep the law. Their trouble is to know what is required of them. They are regulated first at Washington and told to do one thing, and then by the various States and told to do another, and they are in a position where they will be damned if they do, and damned if they don't. Take the question of allowances to industrial railroads. Washington says, "Do not make the allowance." The State Commissions say, "You must make it." Take the question of increasing revenues by increasing passenger

rates. Washington says, "Do it." The States say, "No, you don't."

But it is the conscience we are talking about, not the result, and the conscience of the corporations is right. How about the Government's?

First, perhaps we should ask, what is government? The potentates of Europe will tell you that they rule by divine right. Here, we say, government derives its just power from the consent of the governed, but in the same breath we say, *vox populi, vox Dei*, so it comes to the same thing—"The powers that be are ordained of God." And is there one rule of right and wrong for the Government and one for the Governed? Is the Government which makes the law above the law, and can it break it with impunity? Not so the Ruler of all, for He appeals to His people, "Shall not the Judge of all the earth do right?" If our Governments seem to have a different rule, it is due to the supineness of the civic conscience. Take a few examples: A dozen years ago the United States, a great and powerful nation, wanted a strip of land that did not belong to it in order to dig a ditch. The weak nation which owned that land put a price on it that we thought too high, so we took it without paying the owner anything. Did we take it openly? Oh, no, we were not brave enough for that. We took it by a subterfuge, but we took it, just the same. We took it exactly as Ahab took Naboth's vineyard and David took Uriah's wife; and was there any cry of shame by the people of the United States?

Quite the contrary. Those who held themselves better than their neighbors applauded the act.

After we had dug this ditch, there was the question of tolls. We had made a treaty years ago with England, a foolish treaty, to be sure, but nevertheless a bargain. All ships were to be treated alike with regard to tolls, but this did not suit those in charge of legislation, who wanted the building of the Canal to hurt trans continental railroads to the greatest possible extent, so they deliberately broke that treaty. Now, it is to the credit of this country, and of the present administration, that a serious effort has been made to right those two wrongs, which, in one case, has been successful. Yet this has been done not in response to a popular outcry, due to the working of a civic conscience, but rather as a matter of political expediency; and it is a sad commentary upon the attitude of the public that more popular criticism has attended the attempt to right these wrongs than was called forth by the wrongs themselves.

I am not going into the question of who is responsible for the European War, whether England was about to spring at Germany's throat, or whether Germany was the unprovoked aggressor, in order to satisfy her terrible envy and hatred of England. We take sides on that question. There are, perhaps, two sides to it, although the chances are we line up according to our prejudices rather than according to our judgment. But there is one thing about this

war that admits of no defense:—when a great and Christian and cultured nation opened the war by a deliberate breach of a solemn promise and agreement, which she had twice made, to respect the neutrality of a friendly, though weaker, neighbor, and met the universal remonstrance to her act by the sneering remark that a treaty is but a scrap of paper, she proved that “Culture” with a “K” did not include a civic conscience—attuned to the great moral principles—and made a record of governmental bad faith that it will take her centuries to live down.

It will probably do us more good, however, to speak of our own sins. The rule laid down for business in this country is that there must be competition. You must compete. Of course, if you compete successfully and drive the other man out of business, you go to jail. Still, you must compete. The Government has recently undertaken a business venture. Have you ever heard of the Parcel Post? Well, that is simply the Government going into the express business. It started a competition with the express companies. Has it competed successfully? Two of them have gone out of business, and all the rest have passed their dividends. Has the Government competed fairly? It has not. You know how the pay of the railroads for carrying the mails is ascertained. Once in four years the mail is weighed over a certain period and that fixes the pay for the next four years. There are

railroads in this country whose pay for carrying mail matter was thus fixed three and four years ago on the basis of the weight of legitimate mail matter, which for two years have been carrying tons and tons of express matter under the name of Parcel Post, without one dollar of additional compensation. It is only privately owned railroads the Government treats this way. It owns a railroad of its own—the Panama Railroad. That railroad gets fair treatment. That patriot, Mr. Louis Brandeis, whose efforts in steering the Interstate Commerce Commission in devious ways have done much to fasten business depression on this country, recently pointed with pride to the Government management of the Panama Railroad as showing what Government ownership might do. Well, the Government of the United States pays the Panama Railroad for carrying government mails just twenty-seven times as much as the average pay for privately owned railroads in the United States. Perhaps if privately owned railroads got the same treatment from the Government, they might make a better showing.

Let me give you one little example: At the outbreak of the War it was necessary to transfer a large amount of gold from Philadelphia to New York, 200 tons of it, worth \$99,000,000. The express charges for that service would have been \$64,500, of which the railroad which carried the bullion would have received one-half. Had the Government carried it over the Panama

Railroad as mail matter, it would have paid the Panama Railroad \$600,000 for that service. It sent that gold from Philadelphia to New York by Parcel Post, which means that it did not pay one dollar to the railroad for carrying it.

Now, I say to you, in all seriousness, that if any agency other than the United States had entered into competition with the express companies and had competed with them in the same manner that the United States has competed, that agency would have been prosecuted under the Sherman Act; and I say to you further, that if the railroads of this country had carried merchandise for any private corporation on the same terms that they have carried for the United States parcel post matter, the president of every railroad company in the country would be in jail for illegal discrimination.

Take another case: There was recently built—probably for blackmailing purposes—in the State of California a railroad called the Western Pacific. It has never paid operating expenses. It never can be made to pay. It is about to be sold out. The State of California is seriously considering the purchase of that railroad. For what purpose? In order to run it as a state institution at a loss, thus compelling the other carriers to meet ruinous rates. And how will that loss be made up? By taxation. And who will pay the taxes? The railroads which have been ruined by the unfair competition. Gentlemen, I hold no brief for the rail-

roads or the express companies, but when I see a Government which insists upon honesty and fair dealing on the part of its subjects, dealing itself so dishonestly and so unfairly, I wonder whether there is any civic conscience, and whether the people of this country know the difference between right and wrong when they see it.

May I be permitted to talk a little shop? I do represent the Philadelphia Rapid Transit Company (I see the reporters sitting up and taking notice). Well, the City of Philadelphia made a contract with that Company in 1907. Up to that time there had been a great deal of corporation baiting. The Company was accused of having acquired many of its franchises dishonestly or without adequate return to the public. A number of prominent citizens who had no interest in the Transit Company, but who felt that more could be done for the City by building up than by tearing down, suggested a contract, the basis of which was that bygones should be bygones. The Company was to give up these perpetual franchises and accept a fifty-year term. The stockholders were to pay in the balance of the \$30,000,000 on their subscriptions, and all financing in the future was to receive the approval of Councils. During this fifty-year period, in order that the stockholders should have a chance to work out their salvation, they were guaranteed the right to continue to charge the fares then in force, namely, five cents for a

single ride and eight cents for two rides, except at a certain limited number of points where free transfers had been put in effect in order to care for direct lines of travel more cheaply than by through routing of cars. I say to you, it was a fair contract—fairly entered into. It was not put over by the Company; it was not a job of the politicians. It was suggested and fathered by the most prominent people of the City and received practically unanimous support. The Transit Company has faithfully kept its side of that contract. It was a big proposition that it undertook, and three years later, the management then in charge not having been successful in working out the problem, there was an appeal to a prominent citizen of this community to undertake the rehabilitation of this property in order that the City might have better service and, as a consequence, the stockholders might have a chance of getting some return on their \$30,000,000. A communication was sent to Councils in which it was set forth that this gentleman would undertake this proposition provided a line of credit could be established, and in that communication distinct reference is made to the rates of fare and to the number of free transfer points. Councils welcomed that offer and passed the proposed legislation. Three years more have gone by and there is a demand for further transit facilities of a magnitude which cannot be financed by private capital; so the City is undertaking to build certain subway

and elevated lines, and it recognizes that to make this great expenditure of benefit to the citizens generally, it is necessary that the municipal lines shall be operated in conjunction with the present lines of the Transit Company with universal free transfers. That extra three cents now collected for the exchange ticket is worth \$850,000 a year to the Transit Company and is the margin between solvency and bankruptcy. Well, what is the proposition advanced by the representatives of the City? If the Company will give up its exchange ticket it shall receive in return what it is worth? Not at all. A number of prominent lawyers are found who volunteer opinions that under The Public Service Company Law, The Public Service Commission has the power to abolish and wipe out the exchange ticket without compensation; that while the City cannot break its contract, The Public Service Commission can break it for the City and thus pull the City's chestnuts out of the fire. In other words, the new contract between the City of Philadelphia and the Transit Company will be founded upon the ruins of the old contract. And has any voice been raised in protest? Not one. The whole discussion has been whether it is possible to put over this iniquitous thing. No paper, no public speaker, has raised the point that it is not right for the City to break this contract, even if it can. Well, the question of whether the contract can be broken will be discussed before the proper tribunal at the

proper time. But at this time permit me to say that I have heard somewhere something like this: The Lord honoreth the man who "sweareth to his own hurt and changeth not."

Let me digress, for I do want to say something more about this Transit situation. Sometimes, when a sense of right will not save a people, a sense of humor will. I have often thought that if, when the Pied Piper was piping the children of Hamelin across the valley and into the hill opposite the town, some child had laughed, that peal of childish laughter would have broken the spell and the children would have been saved. Now, Councils recently asked the Director of City Transit a few questions. Of course, Councils have nothing to do with the government of this City and have no right to ask questions! But they did ask two questions: First, how much City money do you intend to spend; and secondly, what return can probably be looked for from that expenditure? The Director made a formal reply. He sent them a book, and I say to you, that that—so-called—financial statement should be published on the middle page of "Life," for without any cartoon or comment it is the most ridiculous thing that has ever been put forth with a straight face. He first tells what lines should be built and what is their probable cost. I have added those figures and they come to \$63,102,000. Think of the accuracy of that two thousand dollars in an estimate running into the sixty millions! Now,

look at the other side of the account. The Director seriously presented columns of figures to show what the results of this operation would be during the sixteen-year period ending with 1930 —(when probably we will all be using flying machines). His first statement is that the operation of this property during that period will result in a deficit of \$13,203,100. He has now answered the questions asked and should have stopped. Oh, no. Now, listen to these—not generalities, but columns of figures carried out to the decimal point.

1. *Proceeds of one mill personal property tax, \$3,640,000.* Well, the people pay that, do they not? They pay it to the State and the State gives it to the City.

2. *\$1.00 tax on probable abnormal increase in taxable values due to rapid transit development, \$29,550,000.* This also comes out of the pockets of the people, and if the proceeds of a one per cent. tax upon this abnormal increase amounts to twenty-nine million dollars, I wonder what the real increase will be, and who will get it.

3. *Value of time saving by citizens at 15 cents per hour, \$30,137,000.* Why 15 cents an hour? We pay our motormen 30 cents. Skilled labor gets 60 cents, and Dwight Lowrey and I charge 75 cents an hour for our services. Why did not the Transit Director use 60 cents an hour, the living Union wage, and he could have shown a return of \$120,000,000 on his invest-

ment in this column instead of a paltry \$30,000,000?

These columns are ridiculous, but the next one is not a comedy. It is a tragedy.

4. *Saving from elimination of three-cent exchange tickets, \$11,834,200.* In other words, calling that a profit which has been filched from the Transit Company through breach of the City's present contract.

After adjusting these credits and debits, and some minor ones to which I have not referred, the Director shows in the sixteen years an aggregate profit—so-called—of \$65,000,000 on an expenditure of \$63,000,000, and when you can get your money back in sixteen years you have made six per cent. upon your investment. And so the great expenditure is justified! And no one has laughed, and no one has cried shame!

After all, in the great scheme of things these matters are relatively unimportant. A little strip of land in Panama, the ravishment of a small nation like Belgium, the passing of the express business, the bankruptcy of the Transit Company—what do they matter? The great thing is that the Governments to which we look for guidance and to which we should look for example are teaching their citizens that if you are only powerful enough you have a right to be dishonest—a fine precedent for big business.

What, then, is the matter? Expediency has been substituted for right. The civic conscience

is dormant. We need leaders to stir it up—not demagogues appealing to our passions; men with an eye fixed on the pole-star of fair dealing, rather than with an ear to the ground listening for the trampling of the hosts; men who would rather be right than be President. The people must be led, not followed. They need a shepherd. Popularity is not the test of the true leader, rather the contrary. Francis Thompson, that great poet, has sung:

He lives detachèd days,
He serveth not for praise,
For gold
He is not sold.

Note, he condemns equally the man who is sold for gold and the man who serves for praise. We hail the one as a hero. We condemn the other as a criminal. The man who serves for praise is the more dangerous man of the two. The same poet, referring to a great leader of men, uses the expression, "The multitudes he ruled and scorned." The great leaders in all generations have been crucified—not crowned.

This is perhaps no place to talk politics. But though not a Democrat, I want to give Mr. Wilson his due. He has done well. He has done very well. It is encouraging to see some one stand for restitution to Colombia and a recognition of the Clayton-Bulwer treaty. But prosperity is not here. The great majority of people feel we need a change. It may be that we should go back to the old-fashioned Democracy

of the Grover Cleveland type, or perhaps it is true that under Democratic rule we merely take stock and clean house, and must go forward under the Republican banner. The last time this country wandered for years in the wilderness of financial depression, from 1893 to 1896, we found our Moses in the State of Ohio—William McKinley; and as we look around for another leader, where better can we go? Theodore E. Burton has just doffed the Senatorial Toga. He has kept the faith. He has served his country conscientiously, holding an even course between extreme radicalism and extreme conservatism, and would, or should, be acceptable to both wings of the party. There is Myron T. Herrick, who has proved himself a great executive when all his countrymen lost their heads, and who has returned from a most difficult mission, with the deserved plaudits of the whole country; or for good old-fashioned democracy, Ohio offers Judson Harmon. And then, wouldn't it be a great satisfaction to some of us to have another chance to vote for William Howard Taft? All our newspaper friends who write the sporting columns, and who are looking for the "white hope," would doubtless flash in big headlines, "Taft has come back." Not at all. Taft would stand where he has always stood—for the right, whether popular or not. It would not be Taft who would have changed, it would be the people who would have come back, who would have returned from following after strange gods.